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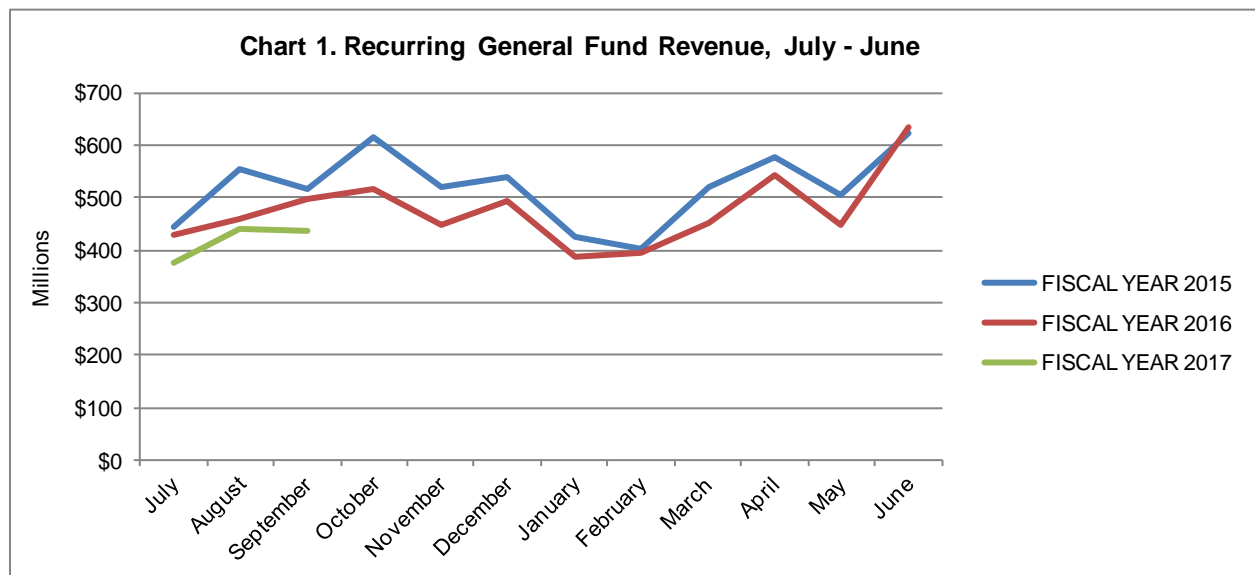
November 29, 2016



General Fund Revenue Tracking Report: Accruals through September 2016

This general fund revenue tracking report reflects revenue accruals through September 2016 as reported by the Department of Finance and Administration. These numbers may change as a result of audit processes.

Summary. Chart 1 compares total recurring revenue between FY15, FY16, and September FY17. Total recurring revenue collection for FY17 through September was \$1.3 billion, down 9.4 percent from the same period a year ago. This compares with the August 2016 consensus revenue estimate of a 0.6 percent increase in revenue for the full fiscal year.

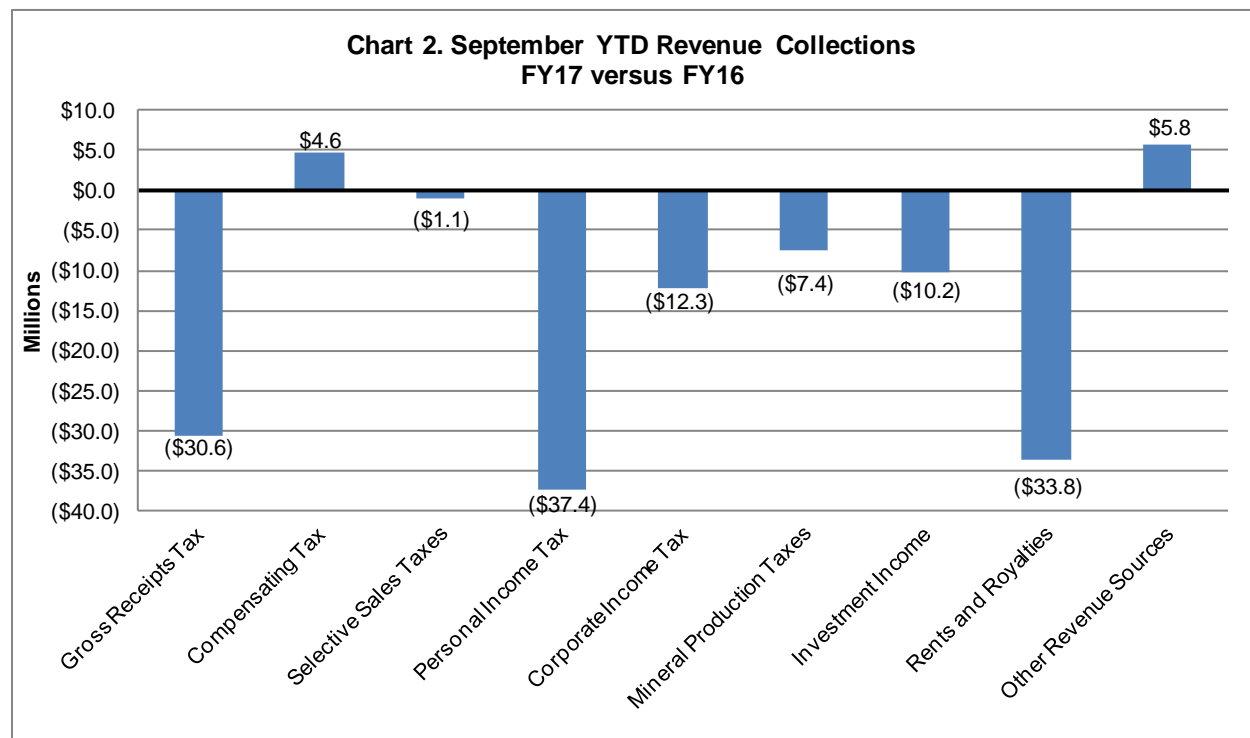


Traditionally, projections for revenue collections through the end of the fiscal year are based on historical monthly shares of revenue collections by revenue source. Recurring revenues are tracking at \$51.2 million, or 0.9 percent, below the August estimate of just over \$5.7 billion (see last page for revenue tracking).

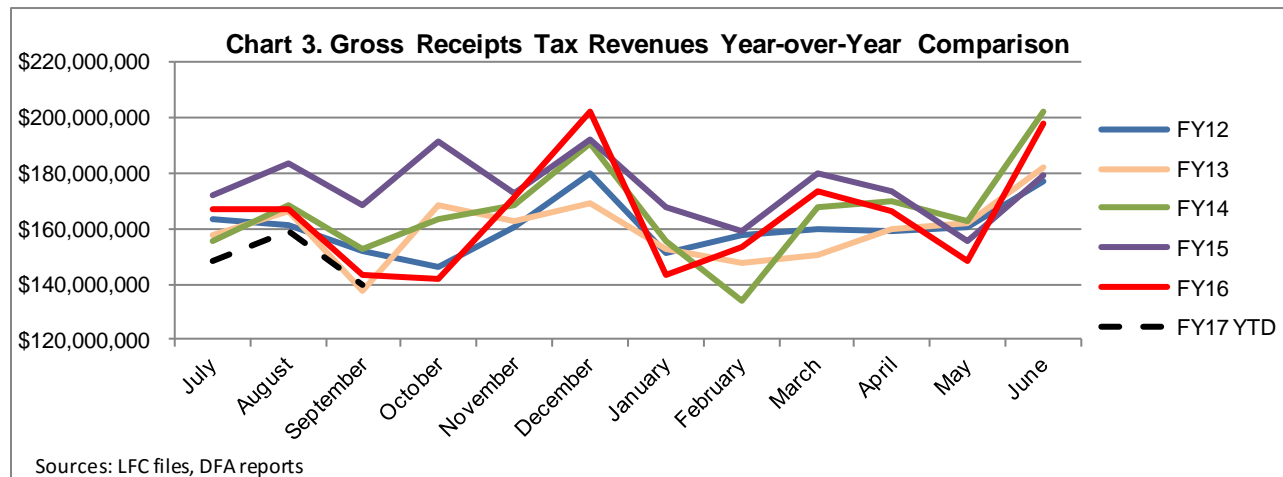
September and Year-To-Date Revenues. Table 1 and Chart 2 present the components of fiscal year-to-date (FYTD) revenue through September for FY17 versus FY16.

Table 1. General Fund Revenue Accruals: FY17 vs. FY16							
Revenue Category	September Revenue	September Revenue	Fiscal Year-to-Date Through September		Year-over-Year Amount Change	Year-over-Year Growth	Projected Full-Year Growth: August 2016 Forecast
	FY16	FY17	FY16	FY17			
Gross Receipts Tax	\$ 143.3	\$ 139.8	\$477.6	\$446.9	(\$30.6)	-6.4%	-0.6%
Compensating Tax	\$ 5.0	\$ 7.3	\$10.9	\$15.5	\$4.6	42.8%	6.0%
Selective Sales Taxes *	\$ 28.2	\$ 24.5	\$131.0	\$129.9	(\$1.1)	-0.8%	3.0%
Personal Income Tax	\$ 167.8	\$ 136.8	\$353.0	\$315.6	(\$37.4)	-10.6%	1.6%
Corporate Income Tax	\$ 3.6	\$ (9.4)	(\$1.8)	(\$14.1)	(\$12.3)	-688.2%	-16.7%
Mineral Production Taxes *	\$ 26.5	\$ 25.0	\$81.7	\$74.3	(\$7.4)	-9.1%	18.2%
License Fees	\$ 2.4	\$ 2.5	\$6.6	\$7.5	\$0.9	12.9%	1.3%
Investment Income	\$ 67.7	\$ 62.9	\$194.5	\$184.3	(\$10.2)	-5.3%	-1.1%
Rents and Royalties	\$ 36.1	\$ 35.1	\$114.1	\$80.3	(\$33.8)	-29.6%	-3.4%
Tribal Revenue Sharing	\$ 15.6	\$ 12.2	\$16.4	\$12.9	(\$3.5)	-21.4%	-0.5%
Miscellaneous Receipts	\$ 1.2	\$ 1.1	\$3.0	\$3.1	\$0.1	1.8%	13.1%
Reversions	\$ 0.0	\$ 0.0	\$0.0	\$0.0	\$0.0	n/a	-11.1%
Subtotal Recurring Rev.	\$ 497.4	\$ 437.8	\$1,387.1	\$1,256.3	(\$130.8)	-9.4%	0.6%
Nonrecurring Revenue	\$ (0.1)	\$ (0.1)	(\$0.2)	\$8.1	\$8.4	n/a	n/a
Total Revenue	\$ 497.2	\$ 437.8	\$1,386.9	\$1,264.4	(\$122.4)	-8.8%	1.4%

*Includes estimates for Insurance, Oil and Gas School Tax, and Oil Conservation Tax



Gross receipts tax (GRT) revenue for July and August represented the lowest numbers recorded for those months in six years, and September revenue was the lowest in four years, as shown on Chart 3. Year-to-date through September, gross receipts taxes were down \$30.6 million, or 6.4 percent, from the same period in the prior year.



Revenue Tracking. The last page provides the general fund revenue tracking report and chart for FY17. The report details the actual revenues received year-to-date and the projected revenues for the remainder of the fiscal year based on the August 2016 consensus revenue estimate.

Gross Receipts. Table 2 reports fiscal-year-to-date matched taxable gross receipts (TGR) by industry between FY16 and FY17 for September. Matched TGR reconciles tax returns against payments to account for total revenues generated by business activity within a given month. Total matched TGR decreased by 6.2 percent compared with the same period in the prior fiscal year. Nine of the 14 industries shown in Table 2 showed declines year-over-year, and mining continued to lead the declines with a drop of 38.3 percent.

Industry	Matched Taxable Gross Receipts	Year-over-Year Change
Mining, Quarrying, and Oil and Gas Extraction	\$442,645,142	-38.3%
Utilities	\$622,505,628	-0.6%
Construction	\$1,619,371,168	1.1%
Manufacturing	\$368,985,838	-22.6%
Wholesale Trade	\$453,465,694	-26.7%
Retail Trade	\$2,901,049,482	-3.8%
Transportation and Warehousing	\$142,106,135	-22.7%
Information	\$632,521,528	-4.3%
Real Estate and Rental and Leasing	\$301,455,251	-10.4%
Professional, Scientific, and Technical Services	\$1,738,557,802	-1.0%
Administrative/Support & Waste Management/Remediation	\$294,914,557	-8.8%
Health Care and Social Assistance	\$714,910,104	9.6%
Leisure and Hospitality Services	\$1,157,074,477	0.9%
Other Industries	\$1,354,500,072	n/a
Total	\$12,744,062,878	-6.2%

Oil and Gas. Chart 4 presents the oil and gas production data reported by the Energy, Minerals and Natural Resources Department's Oil Conservation Division. Reporting by producers is due 45 days after the production month. Oil production reported for September was 11.4 million barrels, down 8.1 percent year-over-year from 12.4 million barrels in September 2015. Production declined by 3.9 percent, or 4.4 million barrels, during the first nine months of 2016 compared with the same period a year ago. The average active drilling rig count in September was 29, down one rig from August and down by 41 percent from the 49 active rigs in September 2015. Oil markets rose during September to an average of \$45.18/bbl, up from \$44.72/bbl in August. Gas prices rose to \$3.09/mcf, up from \$2.91/mcf in August.

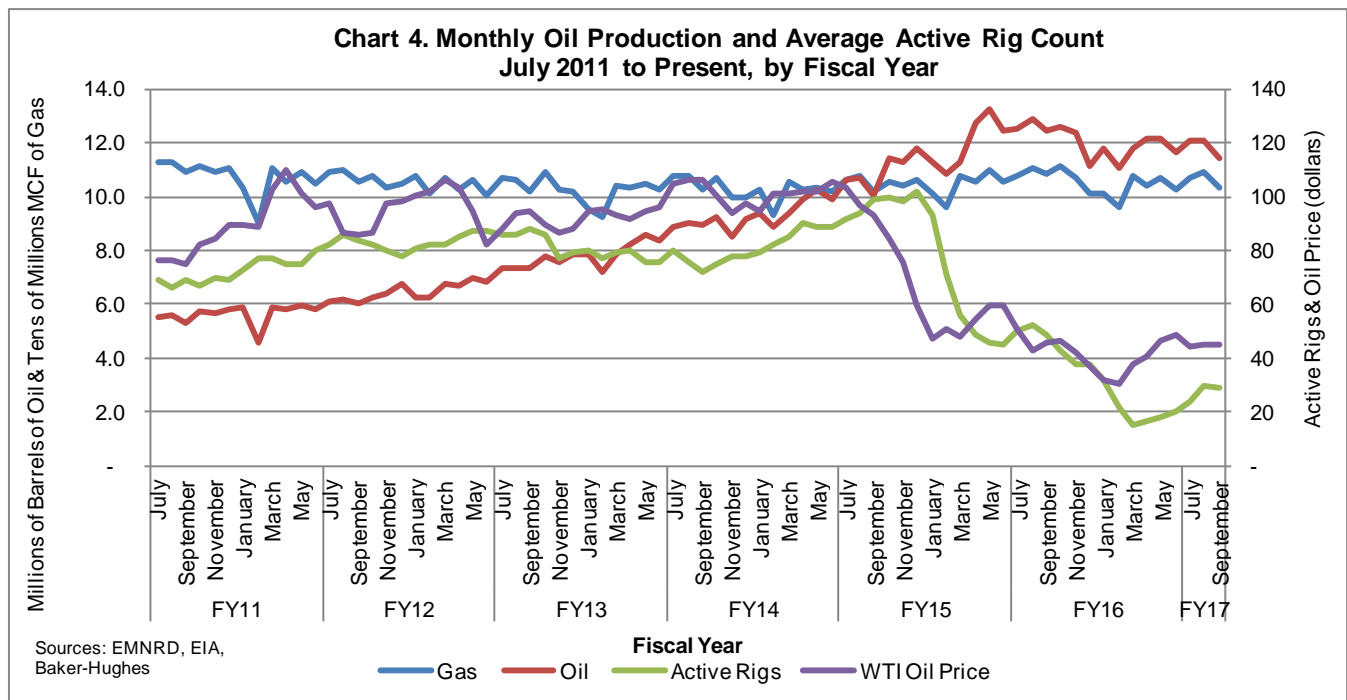


Chart 5 presents oil price data (ONGARD) and an average weighted West Texas Intermediate (WTI) price as indicated by the U.S. Energy Information Administration (EIA), Global Insight (GI), and NYMEX futures. The weighted WTI includes a price differential of -\$4.20/bbl, which represents the average price difference between New Mexico oil prices and WTI prices. Estimates from the major price forecasting entities were revised downward reflecting lower expected oil prices in FY17 and FY18.

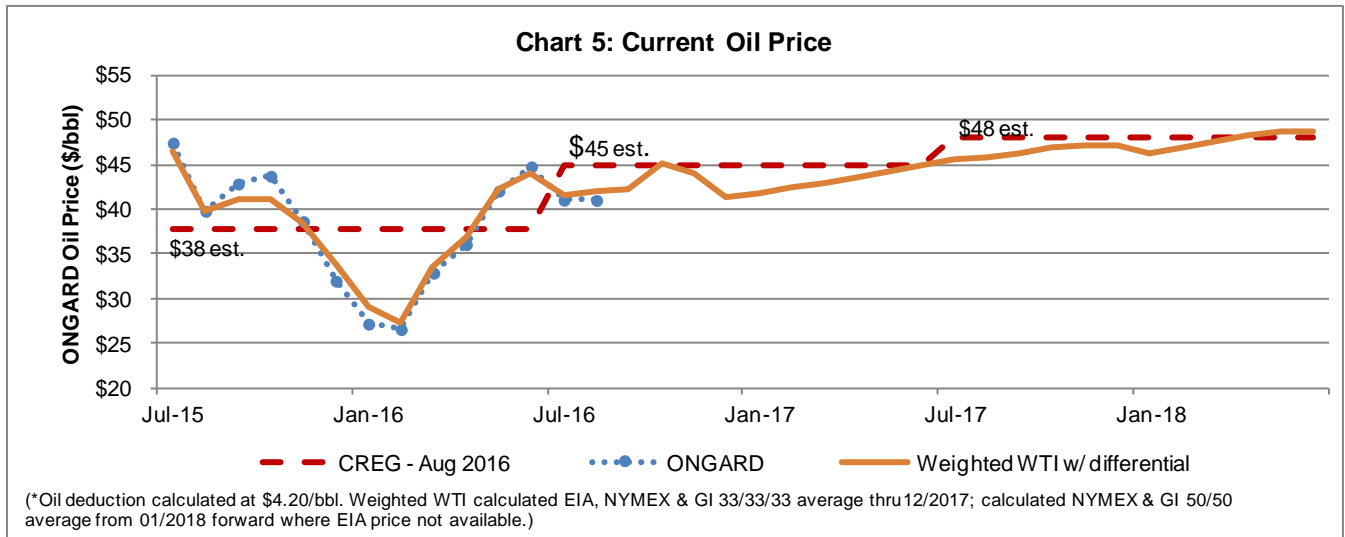
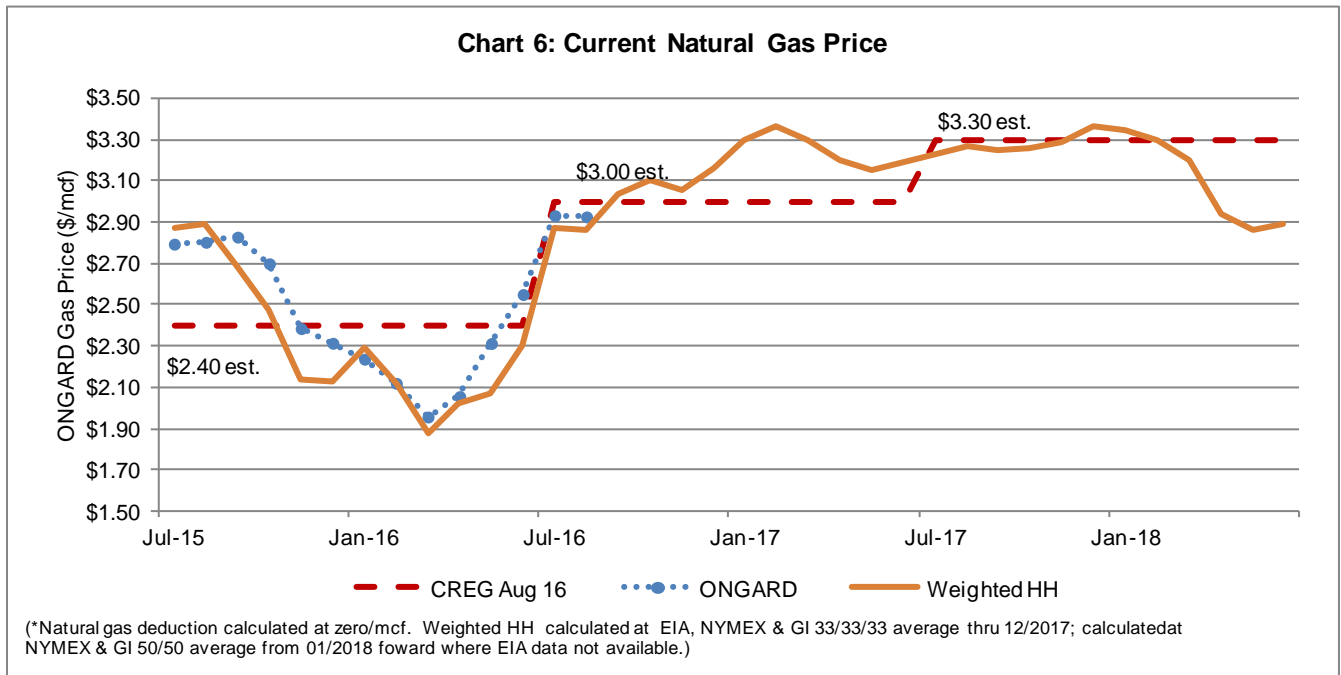
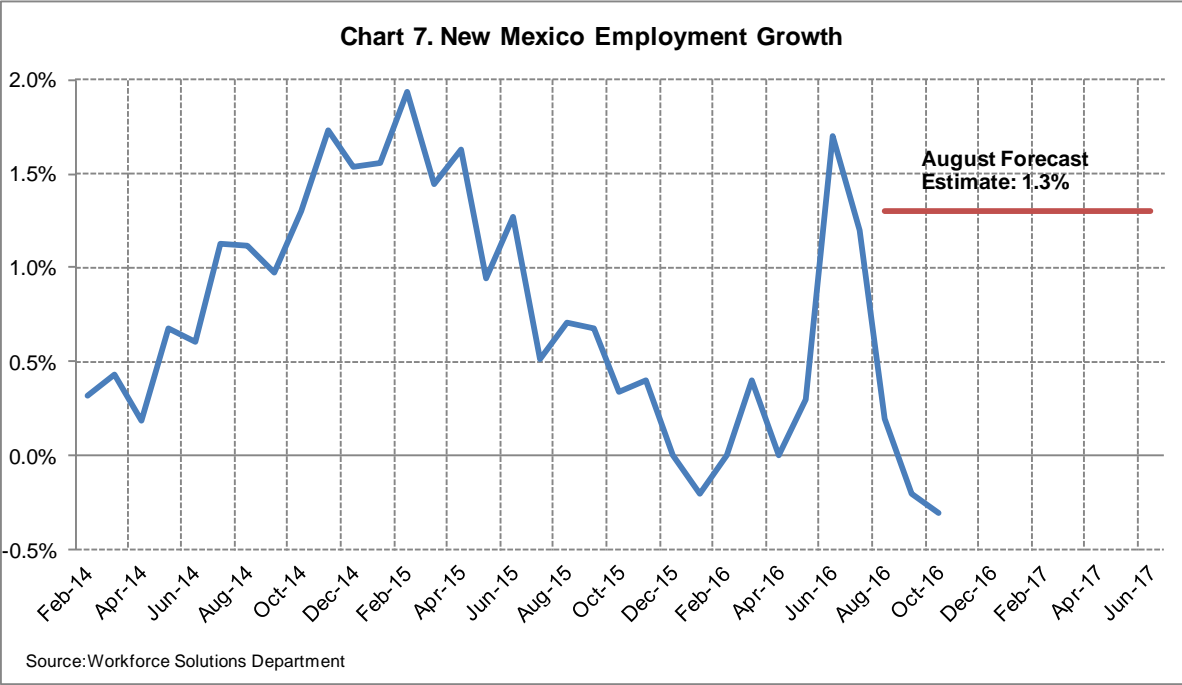


Chart 6 presents natural gas price data (ONGARD) and an average Henry Hub (HH) price as indicated by EIA, GI, and NYMEX. No price differential for natural gas is included in the chart. Natural gas price forecasts for FY17 and FY18 remain on par with forecasts reported in August.



Employment and Income Trends. New Mexico lost jobs for the second straight month in October, shedding 2,900 jobs year-over-year for a 0.3 percent decline, according to the Workforce Solutions Department. The economic forecasts used by the consensus revenue estimating group for the August estimate predicted an average of 1.3 percent growth for FY17.



The mining industry continued to lead the losses, falling by 6,500 jobs, or 26.5 percent. Retail trade fell by 2,800 jobs, or 3 percent; manufacturing fell by 1,400 jobs, or 5 percent; and wholesale trade fell by 900 jobs, or 4.2 percent. Growth in the two industries adding the most jobs in the state over the past few years – health care and leisure and hospitality – slowed in October. Health care gained 6,200 jobs, or 4.6 percent, down from a gain of 6,700 jobs in September, and leisure and hospitality gained 1,000 jobs, or 1.1 percent. Professional and business services continued its recent strong growth, adding 1,700 jobs, or 1.7 percent.

Explanation of Revenue Tracking Method. Appendix 1 shows the latest consensus revenue estimates and monthly accruals in detail. These estimates were based on data available through May and finalized in August 2016. The monthly numbers shown in bold are actuals as reported by the Department of Finance and Administration. The entries in italics are extrapolated from Taxation and Revenue Department accounting documents. The entries in ordinary typeface are a monthly allocation of the annual estimate for the remaining months, based on seasonal historical patterns. They are prepared by LFC staff.

The four shaded columns are of particular importance. The column labeled “FY17 Actual + Estimate” is a sum of monthly DFA actuals, TRD accounting documents, and LFC estimates. The column entitled “FY17 Forecast” is the latest consensus revenue estimate. The next two columns calculate the tracking change in percentage and absolute terms, respectively.

FISCAL YEAR 2017 GENERAL FUND MONTHLY REVENUE TRACKING

(dollars in millions; italics indicate preliminary actual revenue; bold indicates actual revenue)

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Row #		ESTIMATED REVENUE ACCRUALS												FY17	TRACKING CHANGE (Δ)		
		July Actual	Aug Actual	Sept Actual	Oct Est.	Nov Est.	Dec Est.	Jan Est.	Feb Est.	Mar Est.	Apr Est.	May Est.	June Est.	Actual + Estimate	FY 17 Forecast	YTD % Δ	YTD \$ Δ
1	Gross Receipts Tax	148.4	158.8	139.8	163.0	163.3	180.7	154.6	148.1	153.5	165.2	155.1	185.7	1,916.0	1,944.5	-1.5%	(28.5)
2	Compensating Tax	3.9	4.4	7.3	4.8	3.7	4.2	3.8	3.7	4.4	3.8	3.9	4.8	52.7	49.5	6.5%	3.2
3	TOTAL GENERAL SALES TAXES	152.2	163.2	147.0	167.8	166.9	184.9	158.4	151.8	157.9	169.0	159.0	190.5	1,968.7	1,994.0	-1.3%	(25.3)
4	Tobacco Products & Cigarette Taxes	6.2	8.2	5.9	6.3	6.1	6.5	5.5	5.9	6.2	6.2	5.9	8.0	76.7	75.0	2.3%	1.7
5	Liquor Excise Tax	0.5	0.6	0.5	0.6	0.6	0.7	0.4	0.5	0.6	0.6	0.6	0.7	6.8	6.9	-2.0%	(0.1)
6	Insurance Premiums Tax	0.2	52.8	2.0	2.0	53.5	2.0	2.0	53.5	2.0	2.0	53.5	2.0	227.5	230.0	-1.1%	(2.5)
7	Fire Protection Fund Reversion	-	-	-	-	-	-	-	-	-	-	-	13.1	13.1	0.0%	-	
8	Motor Vehicle Excise Tax	11.3	13.9	11.0	12.5	10.5	10.8	12.2	11.2	13.8	13.5	13.7	13.1	147.4	148.5	-0.7%	(1.1)
9	Gaming Excise Tax	5.2	4.7	4.7	4.9	4.9	5.1	5.0	5.2	5.8	5.2	5.5	4.9	61.3	62.0	-1.2%	(0.7)
10	Leased Vehicle Surcharge	0.5	0.6	0.5	0.6	0.4	0.3	0.3	0.3	0.4	0.4	0.5	0.5	5.5	5.4	0.9%	0.1
11	Other	0.1	0.5	(0.1)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	2.1	2.1	-0.7%	(0.0)
12	TOTAL SELECTIVE SALES TAXES	24.2	81.3	24.5	27.1	76.1	25.6	25.7	76.8	28.9	28.0	79.8	42.4	540.4	543.0	-0.5%	(2.6)
13	Withholding	99.4	86.0	109.8	96.5	93.9	135.2	94.4	98.8	107.7	94.8	99.1	108.8	1,224.5	1,222.8	0.1%	1.7
14	Final Settlements	-	12.3	41.6	17.1	11.5	20.9	52.8	11.6	34.2	139.9	25.7	63.7	431.4	434.0	-0.6%	(2.6)
15	Oil and Gas Withholding Tax	-	0.2	3.7	12.4	2.5	3.7	11.9	3.0	4.2	10.8	5.4	16.3	74.2	75.6	-1.9%	(1.4)
16	Fiduciary Tax	(0.3)	0.3	(0.2)	0.0	0.3	0.9	(0.0)	(0.0)	3.5	0.4	1.4	(0.3)	6.0	7.0	-14.1%	(1.0)
17	Gross Personal Income Tax	99.1	98.9	155.0	126.1	108.2	160.8	159.1	113.4	149.7	246.0	131.6	188.5	1,739.2	1,739.4	-0.2%	(3.2)
18	Transfer to PIT Suspense	(6.4)	(7.4)	(15.5)	(6.4)	(6.9)	(88.2)	(95.6)	(67.7)	(43.6)	(18.5)	(11.2)	(7.4)	(374.8)	(367.7)	1.9%	(7.1)
19	Retiree Health Care	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)	(3.0)	(32.7)	(32.7)	0.0%	0.0
20	Less: Refunds, distributions to other funds	(9.1)	(10.1)	(18.2)	(9.1)	(9.6)	(90.9)	(98.3)	(70.4)	(46.3)	(21.2)	(13.9)	(10.4)	(407.5)	(400.4)	1.8%	(7.1)
21	NET PERSONAL INCOME TAX	90.0	88.8	136.8	116.9	98.6	69.9	60.8	43.0	103.4	224.8	117.6	178.1	1,328.7	1,339.0	-0.8%	(10.3)
22	Gross Corporate Payments	-	(4.7)	(9.4)	19.3	9.4	(1.0)	22.9	(1.2)	14.7	6.3	6.9	20.6	84.0	100.0	-16.0%	(16.0)
23	Less: Refunds, Credits & Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	NET CORPORATE INCOME TAX	-	(4.7)	(9.4)	19.3	9.4	(1.0)	22.9	(1.2)	14.7	6.3	6.9	20.6	84.0	100.0	-16.0%	(16.0)
25	TOTAL INCOME TAXES	90.0	84.1	127.5	136.3	108.0	68.9	83.7	41.8	118.1	231.1	124.5	198.8	1,412.6	1,439.0	-1.8%	(26.4)
26	Oil and Gas School Tax	22.0	22.1	22.0	23.8	23.2	24.9	25.1	22.9	26.6	25.6	24.3	24.5	286.9	289.5	-0.9%	(2.6)
27	Oil Conservation Tax	1.0	1.0	1.1	1.2	1.1	1.2	1.1	1.1	1.2	1.1	1.4	1.0	13.6	13.8	-1.7%	(0.2)
28	Resources Excise Tax	0.8	0.8	0.9	1.1	1.2	1.0	1.3	1.0	1.1	0.9	1.1	1.1	12.4	13.0	-4.8%	(0.6)
29	Natural Gas Processors Tax	0.9	0.8	1.0	0.9	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.8	10.1	10.0	1.1%	0.1
30	TOTAL MINERAL PROD. TAXES	24.7	24.6	25.0	26.9	26.3	27.9	28.3	25.8	29.8	28.5	27.6	27.5	323.0	326.3	-1.0%	(3.3)
31	LICENSE FEES	2.2	2.7	2.5	3.2	3.1	15.6	7.1	3.3	3.3	3.1	3.3	3.2	52.7	55.5	-5.1%	(2.8)
32	Land Grant Perm. Fund Distributions	45.1	45.1	45.1	44.9	44.9	44.9	44.9	44.9	44.9	44.9	44.9	44.9	538.9	538.2	0.1%	0.7
33	State Treasurer's Earnings	(0.2)	(2.0)	1.1	(1.1)	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	13.4	23.3	-42.7%	(9.9)
34	Severance Tax Perm. Fund Distributions	16.7	16.7	16.7	16.7	16.7	16.7	16.7	16.7	16.7	16.7	16.7	16.7	200.6	200.6	0.0%	(0.0)
35	TOTAL INVESTMENT EARNINGS	61.6	59.8	62.9	60.5	63.5	63.5	63.5	63.5	63.5	63.5	63.5	63.5	752.8	762.1	-1.2%	(9.3)
36	Federal Mineral Leasing Royalties	19.6	22.3	33.1	52.8	26.5	26.4	26.4	26.4	26.4	26.4	26.4	96.3	409.1	376.0	8.8%	33.1
37	State Land Office Bonuses, Rents	0.1	3.2	2.0	4.6	2.9	4.0	3.7	3.6	3.5	3.3	5.2	5.1	41.1	52.7	-22.1%	(11.6)
38	TOTAL RENTS & ROYALTIES	19.7	25.5	35.1	57.4	29.4	30.4	30.1	30.0	29.9	29.7	31.6	101.4	450.2	428.7	5.0%	21.5
39	TRIBAL REVENUE SHARING	0.7	-	12.2	0.1	0.0	14.4	0.2	0.2	15.6	0.2	0.1	15.5	59.3	61.9	-4.2%	(2.6)
40	MISCELLANEOUS RECEIPTS	1.1	0.9	1.1	1.2	1.7	10.8	2.8	1.1	11.6	6.1	1.6	17.6	57.7	58.0	-0.6%	(0.3)
41	REVERSIONS	-	0.0	0.0	0.2	0.4	0.3	3.1	1.2	7.1	0.4	2.0	25.1	40.0	40.0	-0.1%	(0.0)
42	TOTAL RECURRING REVENUE	376.3	442.1	437.8	480.6	475.6	442.5	402.9	395.6	465.6	559.7	493.0	685.5	5,657.3	5,708.4	-0.9%	(51.2)
43	Non-Recurring	8.0	0.2	(0.1)	-	-	-	-	-	-	-	-	54.0	62.1	62.0	0.1	
44	TOTAL NON-RECURRING REVENUE	8.0	0.2	(0.1)	-	-	-	-	-	-	-	-	54.0	62.1	62.0	0.1	
45	GRAND TOTAL REVENUE	384.3	442.4	437.8	480.6	475.6	442.5	402.9	395.6	465.6	559.7	493.0	739.5	5,719.4	5,770.4	-0.9%	(51.0)

Estimates are developed by LFC and based on the consensus revenue estimate and historical monthly patterns; the FML estimate for June includes \$69.9 million from a BLM lease sale (the month in which the revenue will be received is uncertain)